


**ACTUARIAL NOTE
REGULAR SESSION 2009**

Senate Bill 20 SLS 09RS-197 Reengrossed/with Senate Floor Amendments	Preparation of this Note was directed by the Actuarial Services Division of this office
Author: Senator Chaisson June 2, 2009	
LA # 6.03 District Attorneys' Retirement System	Steve J. Theriot, CPA Legislative Auditor
RE 5yr Ttl: See Actuarial Note	

Bill Header: Provides for the membership of the District Attorneys' Retirement System.

Estimated Fiscal Impact:

EXPENDITURES:	2009-10	2010-11	2011-12	2012-13	2013-14	5 Yr Total
State General fund	See below	See below	See below	See below	See below	See below
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	See below	See below	See below	See below	See below	See below
Annual Total	See below	See below	See below	See below	See below	See below

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 Yr Total
State General fund	See below	See below	See below	See below	See below	See below
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	See below	See below	See below	See below	See below	See below
Annual Total	See below	See below	See below	See below	See below	See below

Purpose:

Allows a retiree of a retirement system other than the District Attorneys' Retirement System (DARS) who is elected or appointed to a position of District Attorney or Assistant District Attorney on or after November 15, 2008 to become a member of DARS and accrue a supplemental pension.

Existing Provisions:

The following rules apply, under §1601(3)(b) as currently written, to a retiree of a system other than DARS who is elected or appointed to a position of District Attorney or Assistant District Attorney on or after November 15, 2008:

1. The retiree's benefit from the other system is suspended or not suspended depending on the rules that govern the other system.
2. The retiree is prohibited from becoming a member of DARS.
3. Neither the retiree nor his employer may make contributions to DARS.
4. The retiree does not accrue any supplemental benefit under DARS.

Proposed Provisions:

The following rules will apply, under Senate Bill 20, to a retiree of a system other than DARS who is elected or appointed to a position of District Attorney or Assistant District Attorney on or after November 15, 2008:

1. The retiree's benefit from the other system will be suspended or not suspended depending on the rules that govern the other system.
2. The retiree will become a member of DARS.
3. The retiree and his employer will contribute to DARS during his reemployment.
4. The retiree will accrue a supplemental benefit from DARS.

Senate Bill 20 will also allow the retiree to purchase service credits for employment between November 15, 2008 and July 1, 2009, the effective date for the proposed law. The retiree will be required to pay to DARS the contribution that he otherwise would have been required to make as well as the contribution that his employer would have made.

Actuarial Impact:

Actuarial Cost Impact:

- The actuarial present value cost of Senate Bill 20 is negligible.

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Actuarial Analysis:

The following assumptions were made in preparing the estimated cost:

1. The value of benefits, earned by an individual obtaining membership rights in the District Attorneys' Retirement System as a result of the enactment of Senate Bill 20, will generally be greater than the value of benefits earned by the average member of the system because such a member is likely to be older than the average member, closer to retirement, and more likely to collect a benefit on the service credits earned. This cost difference cannot be measured with any degree of precision.
2. The number of potential elected or appointed officials of the state or parish who have retired from another state or state-wide system and who will obtain membership status in the District Attorneys' Retirement System is very small, probably 5 or less per year.
3. Employees who gain membership in the District Attorneys' Retirement System as a result of the enactment of Senate Bill 20 will not have any prior service for which they will receive credit.

Fiscal Impact:

The cost for Senate Bill 20 depends upon the age of an individual at hire and whether or not rehired individuals are subject to state reciprocity statutes. Revenues will increase due to employer and employee contributions. Given the limited number of potential eligible individuals, the overall cost to the system is negligible.

Dual Referral Rules:

Estimated Fiscal Impact >= \$500,000? **NO**